State of Utah

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UTAH'S EMPLOYMENT SITUATION: NOVEMBER 2008

Utah Labor Market Indicators
November 2008

Employment % Change: -0.9%
Employment # Change: -11,500
Unemployment Rate: 3.7%

United States

Employment Change: -1.5%
Unemployment Rate: 6.7%

Utah's nonfarm wage and salaried job count for November 2008, as compared against November 2007, is estimated to have contracted by 0.9 percent. October's employment profile, also an employment contraction, has been revised further downward by two-tenths of a percentage point to -0.4 percent. Approximately 11,500 jobs have been removed from the Utah economy over the past year, lowering total wage and salary employment to 1,260,900.

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, rose to 3.7 percent in November. Last November, the state's rate was 2.8 percent. Approximately 51,200 Utahns were considered unemployed in November 2008, compared against 38,600 last November, an increase of 12,600 unemployed workers. The United States unemployment rate continued to rise, reaching 6.7 percent.

Mark Knold, chief economist for the Department of Workforce Services, commented, "The national financial crisis that unfolded in mid-September into early October that stunned the stock market has rapidly translated into not only an additional deterioration in the Utah economy, but an acceleration in that deterioration. That may sound like double-speak, but it means the economy is continuing to lose jobs, and the pace of those loses is picking up. Moving from a loss of 5,200 jobs on a year-to-year basis in October to an 11,500 year-over-year loss in November represents a hefty increase in lost jobs. Employment in manufacturing and construction has been in a prolonged decline, and it continues to get worse, but the key shift has been the movement of lost jobs into the services sector—not only the largest, but normally the most stable and stalwart segment of the economy. The last time we saw employment numbers fall like this in Utah was in late 2001, when we were entering that period's dot com recession."

More industries in Utah are now shedding jobs than adding them. Six industrial sectors are showing year-over-year job losses, while five are still recording some employment gains. The current downturn has the potential to become an historic event in post-WWII Utah. The sharpest employment decline in Utah since that war was a 2.5-percent contraction in 1954. The 2001-2003 period was the longest span of subpar employment activity in Utah, with the low point being 2002 with an employment percentage contraction of 0.7 percent. The current situation has the potential to be both deeper and longer than either of these two periods.

Initial claims for unemployment insurance, while already above last year's levels, took a noticeable jump in Utah in the middle of October. Claims do normally rise this time of year due to seasonal slowdowns or cessations within some industries, but even with that, the levels are up. A year ago, in the first week of November 2007, around 1,400 new applicants filed for unemployment benefits. In the first week of November this year, new applicants numbered nearly 2,500. And for the first week in December, those claims have risen to nearly 3,600.

People not only initially file for unemployment claims, but will continue to draw claims until they either find a new job, or their tenure and/or eligibility runs out. In terms of the monetary benefits paid for these continued unemployment claims, they are currently running 100 percent higher in Utah approaching the end of 2008 than were paid out of the unemployment insurance system in 2007.

Utah's unemployment rate is on the rise, and will continue to rise for possibly the next two years. But underemployment is also conjectured to be on the rise in Utah. The U.S. Department of Labor recently announced that nationally, 7.3 million people were working part-time in November although they wanted to work full-time. This is 62 percent higher than a year ago. Most of these people are working less because their hours were cut. It is supposed that this same phenomenon is at play in Utah. Calls to the Utah Department of Workforce Services from Utah employers exploring the benefits verses costs of either having a layoff event or instead cutting back worker hours have increased. These increased inquiries lead to speculation that the reported upswing in national underemployment is also a factor here in Utah.

The recent shift in the Utah employment situation from service-providing industries being job producers to now being job shedders signals a more fundamental shift in the nature of the Utah economic slowdown. The goods-producing side of the economy—like construction and manufacturing, which make up only 20 percent of all Utah employment—is historically expected to drop jobs in toughening economic times. But the service-producing industries often bend but don't break in these environments. When they do start to shed jobs as an assemblage, then you know the economic downturn has taken a deeper turn.

Professional and business services, financial activities, information, and the small category called other services are all industries now showing year-over-year job losses. The leisure and hospitality industry, along with retail trade, is vulnerable to also moving onto this negative side of the ledger in coming months.

The Utah economy is caught in the downward influence of the national economy. The national economy appears locked in a downward spiral in which employment, incomes, and spending are collapsing together. They tend to be self-reinforcing, with something needed to step in and break this spiral. That is the goal of the federal economic stimulus activities currently being generated in Washington. There is a bit of a negative timing obstacle currently at work as the nation is operating in a quasi-leadership environment between both a new Congress and presidential administration. New leadership will formulate its own cohesive economic directives, but those measures are delayed until January in an environment where swift action is essential. Therefore, the timing of the anticipated economic stimulus is being delayed.

*** Utah's December employment information will be released at 9:00 a.m. on Tuesday, January 20, 2009.**

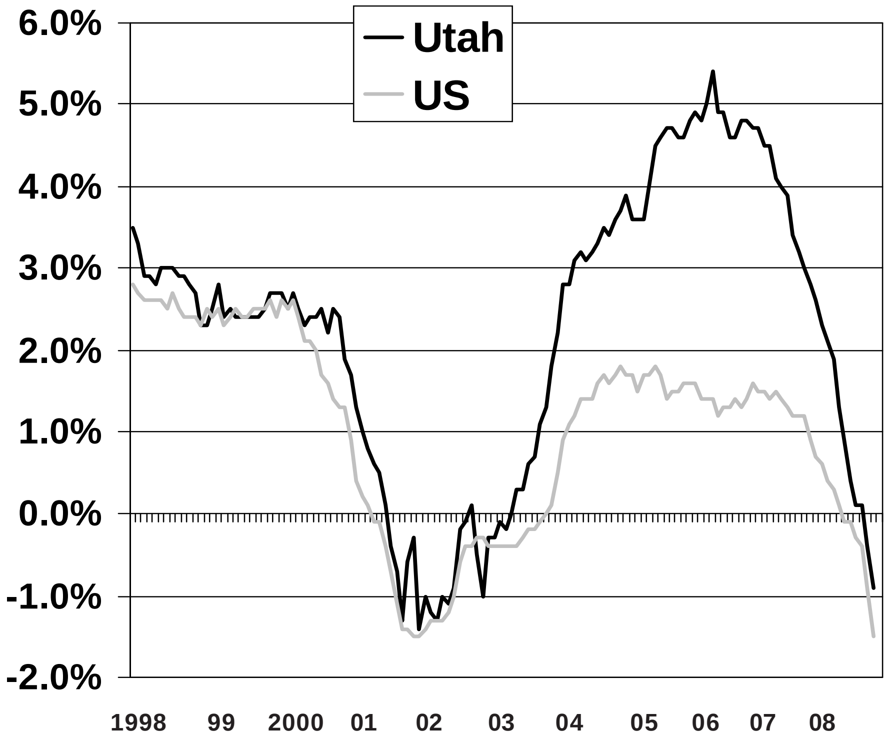
*** Utah's county unemployment rates for November will be available on Monday, December 22.**

Utah Nonagricultural Jobs by Industry and Components of the Labor Force

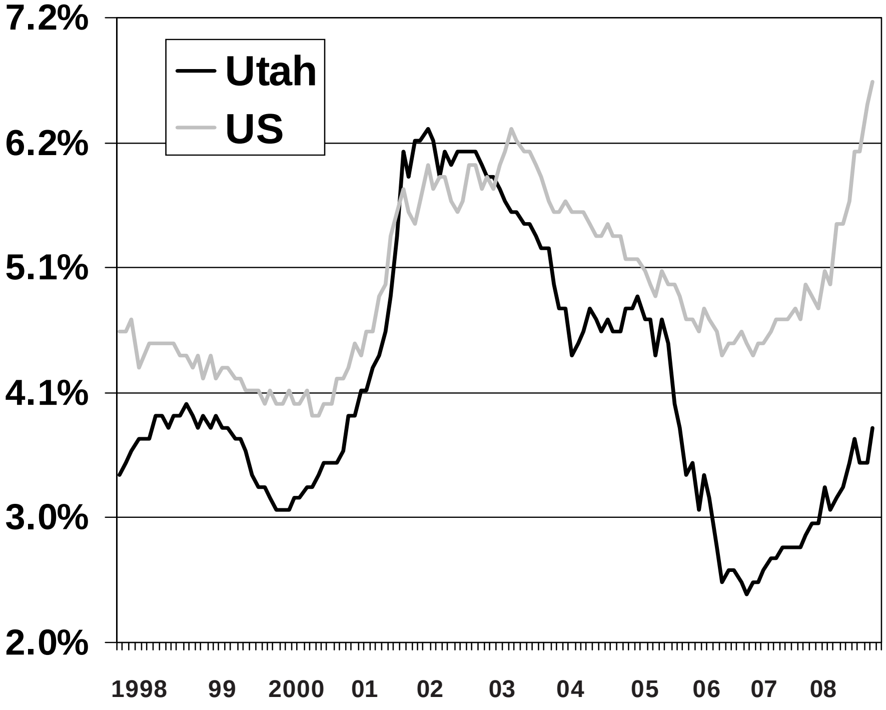
Numbers are in thousands	November(f) 2008	November 2007	Percentage Change	October(r) 2008	October 2007	Percentage Change
CIVILIAN LABOR FORCE (seasonally-adjusted)	**1,382.6**	**1,379.7**	**0.2**	**1,383.9**	**1,376.2**	**0.6**
Employed	1,331.4	1,341.1	-0.7	1,335.2	1,337.6	-0.2
Unemployed	51.2	38.6	32.6	48.7	38.6	26.2
Unemployment Rate	3.7	2.8		3.5	2.8	
NONAGRICULTURAL EMPLOYMENT (Thousands)	**1,260.9**	**1,272.4**	**-0.9**	**1,259.1**	**1,264.5**	**-0.4**
Not seasonally-adjusted						
GOODS PRODUCING	**225.7**	**243.6**	**-7.4**	**228.3**	**244.8**	**-6.7**
Natural Resources, and Mining	**12.2**	**11.3**	**8.0**	**12.2**	**11.3**	**7.7**
Construction	**87.4**	**103.2**	**-15.3**	**89.6**	**105.1**	**-14.7**
Construction of Buildings	17.5	22.1	-20.9	18.0	22.5	-19.7
Heavy and Civil Engineering	10.5	11.7	-9.8	10.9	12.1	
Specialty Trade Contractors	59.4	69.4	-14.5	60.7	70.6	-14.0
Manufacturing	**126.0**	**129.1**	**-2.3**	**126.5**	**128.4**	**-1.5**
Durable Goods	**84.2**	**87.5**	**-3.8**	**84.7**	**87.5**	**-3.2**
Primary and Fabricated Metals	16.5	16.6	-0.4	16.6	16.6	0.3
Computer and Electronic Products	13.4	13.1	2.7	13.3	13.0	2.3
Transportation and Equipment Manufacturing	14.1	14.3	-1.3	14.1	14.3	-1.4
Non-Durable Goods	**41.9**	**41.5**	**0.8**	**41.8**	**40.9**	**2.2**
SERVICES PROVIDING	**1,035.3**	**1,028.7**	**0.6**	**1,030.7**	**1,019.5**	**1.1**
Trade, Transportation, and Utilities	**256.3**	**253.5**	**1.1**	**250.8**	**247.9**	**1.2**
Wholesale Trade	**49.3**	**48.0**	**2.6**	**48.9**	**47.8**	**2.3**
Retail Trade	**155.2**	**154.4**	**0.6**	**150.8**	**149.2**	**1.1**
Motor Vehicle and Parts Dealers	18.9	18.9	0.2	19.0	19.0	0.2
Food and Beverage Stores	25.5	24.5	4.2	25.0	24.0	4.2
General Merchandise Stores	31.0	30.0	3.1	29.0	28.2	2.6
Transportation and Utilities	**51.1**	**51.1**	**0.0**	**51.1**	**50.9**	**0.4**
Utilities	4.1	4.1	-0.1	4.2	4.2	-0.1
Transportation & Warehousing	47.0	47.0	0.0	46.9	46.7	0.4
Air Transportation	6.9	7.1	-2.7	6.9	7.1	-3.7
Truck Transportation	19.3	19.3	0.0	19.3	19.3	0.4
Information	**31.9**	**32.6**	**-2.2**	**31.8**	**32.4**	**-2.1**
Publishing Industries	10.1	10.1	0.5	10.2	10.1	0.6
Motion Picture and Sound Recording	4.1	4.0	2.3	4.3	3.9	10.8
Telecommunications	6.1	7.2	-14.6	6.1	7.1	-14.5
Internet Service Providers	5.4	5.1	5.2	5.3	5.1	3.5
Financial Activities	**73.0**	**74.8**	**-2.4**	**73.3**	**74.7**	**-1.8**
Finance and Insurance	54.8	56.3	-2.5	55.0	56.0	-1.8
Real Estate and Rental and Leasing	18.2	18.5	-2.0	18.3	18.6	-2.1
Professional and Business Services	**163.1**	**165.0**	**-1.1**	**164.0**	**164.2**	**-0.1**
Professional, Scientific, and Technical Services	69.6	66.5	4.8	68.8	65.9	4.5
Architectural, Engineering, and Related	13.8	13.5	2.5	13.9	13.6	2.2
Computer Systems Design and Related	16.4	15.1	8.2	16.3	15.0	8.2
Management of Companies and Enterprises	20.4	20.7	-1.0	20.4	20.5	-0.6
Administration & Support & Waste Management & Remediation	73.1	77.9	-6.2	74.8	77.8	-3.9
Employment Services	21.8	26.2	-16.9	22.0	25.4	-13.4
Business Support Services	16.2	16.0	1.5	16.2	16.0	1.3
Education and Health Services	**150.3**	**145.0**	**3.7**	**149.6**	**143.8**	**4.1**
Educational Services	34.3	33.7	1.7	34.0	33.4	1.7
Health Services and Social Assistance	116.0	111.2	4.3	115.6	110.3	4.8
Ambulatory Health Care Services	46.9	44.5	5.4	47.0	44.4	5.9
Hospitals	31.2	30.5	2.5	31.0	30.0	3.3
Nursing and Residential Care Facilities	21.6	20.7	4.6	21.5	20.5	4.9
Social Assistance	16.2	15.5	4.1	16.1	15.4	4.2
Leisure and Hospitality	**110.9**	**110.4**	**0.5**	**111.8**	**110.0**	**1.6**
Arts, Entertainment, and Recreation	16.1	16.4	-2.0	16.1	16.0	0.4
Accommodation and Food Services	94.9	94.0	0.9	95.7	94.0	1.8
Accommodation	17.4	17.1	1.8	17.8	17.3	2.8
Food Services and Drinking Places	77.5	76.9	0.7	77.9	76.6	1.6
Other Services	**35.2**	**35.6**	**-1.1**	**35.4**	**35.6**	**-0.6**
Government	**215.2**	**211.9**	**1.5**	**214.2**	**210.9**	**1.5**
Federal Government	**34.4**	**34.8**	**-1.1**	**34.4**	**35.0**	**-1.5**
Federal Defense	15.4	15.7	-1.9	15.4	15.7	-2.0
Other Federal Government	18.9	19.0	-0.5	19.1	19.3	-1.1
State Government	**65.6**	**65.5**	**0.2**	**65.1**	**65.0**	**0.3**
State Schools	37.4	37.0	1.2	36.9	36.5	1.3
Other State Government	28.2	28.5	-1.1	28.2	28.5	-1.1
Local Government	**115.2**	**111.7**	**3.2**	**114.6**	**111.0**	**3.2**
Local Education	66.5	64.9	2.5	65.5	63.8	2.6
Other Local Government	48.7	46.8	4.1	49.1	47.2	4.1

Source: Utah Department of Workforce Services f = forecast r = revised December 16, 2008

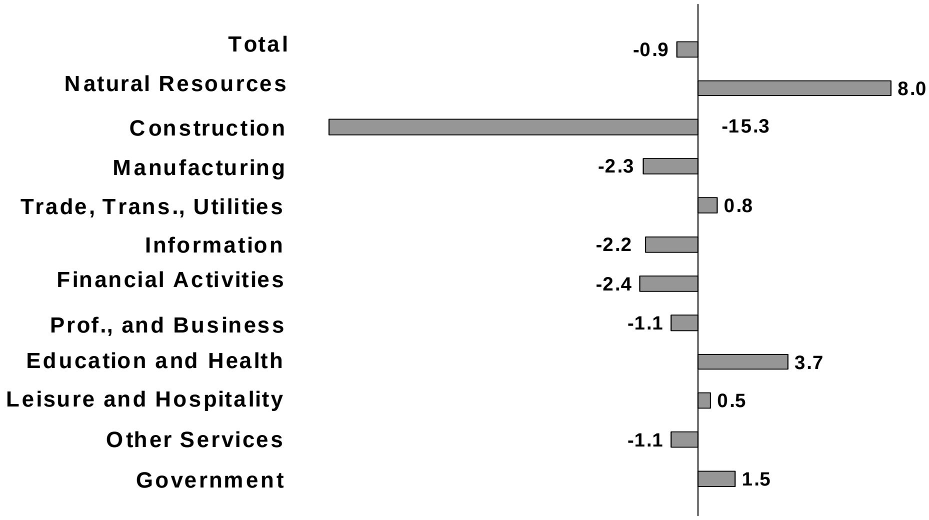
Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates

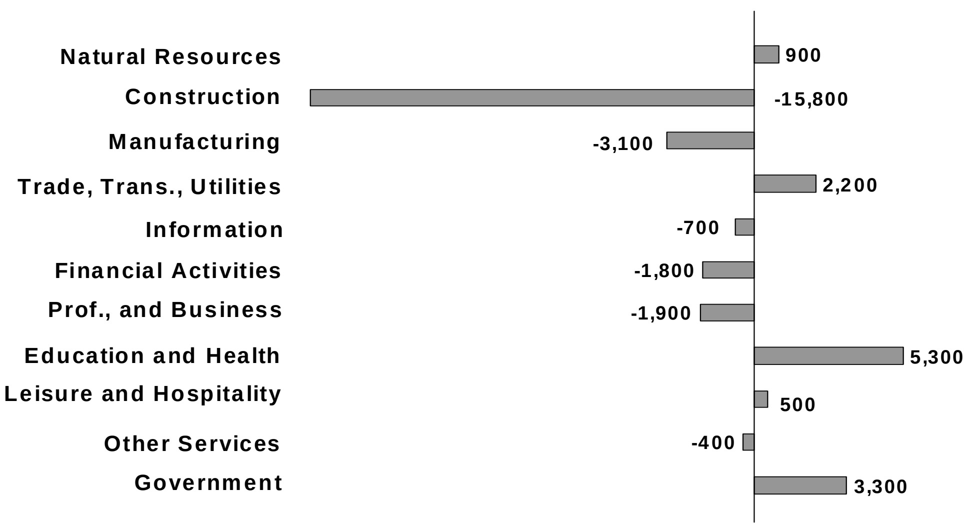


Utah Nonfarm Industry Profile (Percent Change)
November 2007 – 2008



Source: Utah Department of Workforce Services

Utah Nonfarm Industry Profile (Numeric Change)
November 2007 – 2008



Source: Utah Department of Workforce Services

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	November 2008(f)	November 2007	Percent Change	October 2008(r)	September 2008(r)
State Total	1,260,906	1,272,443	-0.9	1,259,065	1,264,984
Bear River	73,348	73,524	-0.2	72,832	72,936
Box Elder	20,723	20,693	0.1	20,792	20,958
Cache	51,900	52,124	-0.4	51,300	51,100
Rich	725	707	2.6	741	878
Wasatch Front	822,619	831,372	-1.1	820,631	825,545
North	200,703	203,694	-1.5	200,861	202,466
Davis	102,791	104,345	-1.5	103,339	104,756
Morgan	1,975	2,018	-2.2	1,998	1,972
Weber	95,937	97,331	-1.4	95,524	95,738
South	621,916	627,678	-0.9	619,770	623,079
Salt Lake	606,234	612,079	-1.0	604,089	607,455
Tooele	15,682	15,599	0.5	15,681	15,624
Mountainland	216,182	218,445	-1.0	215,369	215,564
Summit	22,077	21,277	3.8	21,071	20,835
Utah	187,049	189,720	-1.4	187,223	187,701
Wasatch	7,056	7,448	-5.3	7,075	7,028
Central	25,154	25,141	0.0	25,211	25,448
Juab	3,413	3,849	-11.3	3,383	3,382
Millard	3,925	3,936	-0.3	3,948	4,031
Piute	340	365	-6.8	343	354
Sanpete	8,036	7,798	3.1	7,931	8,063
Sevier	8,387	8,166	2.7	8,458	8,440
Wayne	1,053	1,027	2.5	1,148	1,179
Southwestern	76,066	79,335	-4.1	77,079	77,943
Beaver	2,162	2,080	4.0	2,141	2,210
Garfield	2,356	2,226	5.9	2,659	2,785
Iron	17,285	17,472	-1.1	17,101	16,958
Kane	3,175	3,137	1.2	3,303	3,416
Washington	51,088	54,420	-6.1	51,874	52,575
Uintah Basin	25,283	22,701	11.4	25,209	24,919
Daggett	379	454	-16.5	407	458
Duchesne	8,671	7,611	13.9	8,658	8,618
Uintah	16,233	14,636	10.9	16,143	15,843
Southeastern	22,253	21,925	1.5	22,734	22,630
Carbon	9,603	9,314	3.1	9,508	9,429
Emery	3,862	3,900	-1.0	3,897	3,807
Grand	4,549	4,447	2.3	5,004	5,063
San Juan	4,240	4,264	-0.6	4,325	4,330

f = forecast   r = revised but not final.
Note: Numbers have been left unrounded for convenience rather than to denote accuracy.
Source: Utah Department of Workforce Services, Workforce Information, 12/16/08